

Options

1. Use section 973.03 of the Bank Act to Amend Bank's Approval

- The *Bank Act* contains provisions regarding banks' general business activities. The *Bank Act* does not generally dictate in which circumstances a bank should cease doing business with certain customers.

- Solicitor-Client Priv.

- To our knowledge, the Minister's powers have never been used to target customers or a class of customers. Solicitor-Client Priv.

Solicitor-Client Priv.

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3. Moral Suasion

The Minister of Finance has a responsibility for the integrity of the financial sector and Canadians' confidence in it. This includes making sure that banks are not used to further illicit activities.

Banks have a responsibility to ensure that they are not used to further illegal actions and must remain vigilant. We need to talk to the Bank CEOs to clearly communicate the Minister's expectations that they remain vigilant in fulfilling these responsibilities and to review their business relationships to ensure accounts are not used to support those involved in illegal activities. Minister's statement that she expects banks to play their role.

The minister could work with provincial counterparts responsible for financial institutions and securities regulation and encourage them also to use all tools at their disposal to ensure securities, and provincial financial institutions are not used to further illegal activity.